Toward Prosperity for All Oregonians

2021 Legislative Agenda

Raise taxes on large, profitable corporations

To achieve prosperity for all Oregonians, corporations need to contribute more to the common good. While many Oregonians struggle to afford child care or rent, many businesses have been posting record profits, even during a pandemic. Amazon, for example, has reported billions more in profits in this year than last.

Meanwhile, Oregon’s tax on corporate profits is near a low point as a share of income taxes. Income taxes paid by corporations as a share of all Oregon income taxes has shrunk from nearly 19 percent in the 1973-75 biennium to about 7 percent in the 2019-21 biennium. This disconnect is in large part the result of aggressive corporate tax avoidance — the lobbying for corporate tax subsidies and the shifting of profits to offshore tax havens.

The following are specific ways Oregon can tax large, profitable corporations.

Who pays?

All of the proposals below apply only to C-corporations, those corporations subject to the corporate income tax. The largest C-corporations include household names such as Amazon, Verizon, and Bank of America, among many others. Taxes on corporate profits by-and-large fall on the owners of the corporation, the shareholders. Because corporate shares are disproportionately held by high-income, mostly white people, the proposals below target those most able to pay.

Reform corporate income tax rates and brackets

The reform: Oregon applies a set of tax rates to the profits reported by C-corporations on their Oregon corporate income taxes. This proposal would increase those rates for highly profitable corporations and reduce them for only modestly profitable businesses. Corporations with profits within these ranges would pay the listed tax rate:

- $0 - $1 million: 6% (a reduction of 0.6 percentage points for small businesses)
- $1 million - $10 million: 9% (an increase of 1.4 percentage points)
- $10 million+: 11% (an increase of 3.4 percentage points)

Revenue raised: $317 million in a full biennium
The reform: There is a long history of large, multinational corporations shifting profits to low-tax countries to minimize their taxes owed in the United States. Complete reporting would require multinational corporations to include in tax calculations their worldwide business activity instead of just the activity occurring within the United States—a move that would prevent many tax avoidance techniques.

Revenue raised: Awaiting estimate from the Oregon Legislative Revenue Office.

Extend the corporate minimum to more out-of-state businesses

The reform: This policy change would extend the corporate minimum tax to businesses that sell goods in Oregon, but do not have a physical presence, and therefore are not currently required to pay Oregon corporate taxes.

Revenue raised: Awaiting estimate from the Oregon Legislative Revenue Office.

Combined revenue raised: More than $317 million in full biennium

Contact for more information or to get involved:

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Note: Citations and sources are available upon request. Much of this analysis is based on prior OCPP publications, such as those published on the corporate income tax and corporate tax avoidance, revenue estimates from the Legislative Revenue Office and Department of Revenue, and research by the U.S. Federal Reserve Survey of Consumer Finances. Revenue estimates assume a 7/1/2021 effective date and are for the next full biennium (2023-25).